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6 **IN THE UNITED STATES DISTRICT COURT**  
7 **FOR THE DISTRICT OF ARIZONA**  
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9 Creative Power Solutions,

10 Plaintiff,

11 v.

12 Energy Services Group, et al.,

13 Defendants.  
14

No. CV-21-01559-PHX-DLR

**ORDER**

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16 Before the Court is Defendants/Counterclaimants' Motion Regarding Waiver of  
17 Attorney-Client Privilege. (Doc. 215.) The motion is fully briefed and, for the reasons set  
18 forth below, is granted in part.

19 **I. Background**

20 Plaintiff's complaint contains a claim for declaratory judgment seeking an order  
21 requiring Defendant Brent Gregory to sign over to Plaintiff all intellectual property  
22 obtained during his employment.<sup>1</sup> (Doc. 10 at 40-41, 50.) The basis of Plaintiff's claim to  
23 the subject intellectual property is an "Employee Confidentiality, Work Product  
24 Assignment, Noncompetition and Non-Solicitation Agreement" entered in 2008. (*Id.* at  
25 41.) The subject intellectual property consists of five patents that were applied for in 2010.  
26 (*Id.*) The issue in dispute, the ownership of the patents, will be determined by the 2008

27 <sup>1</sup> It is not clear to the Court how a *declaratory* judgment claim could permit any  
28 greater relief beyond a *declaration* of the parties' rights and obligations, but the incongruity  
between the nature of the claim alleged and the nature of the relief requested is not material  
to the present motion.

1 Agreement. (*Id.*)

2 In anticipation of disclosing Plaintiff's attorney Shawn White as a non-retained  
3 expert witness, Defendants seek a determination that Plaintiff has waived the attorney-  
4 client privilege with respect to all communications with White concerning White's  
5 representation of Plaintiff and his communications, knowledge, and opinions related to the  
6 patents at issue. Defendants base their claim of waiver of the attorney-client privilege on  
7 (1) the deposition testimony of Brent Gregory, wherein he states that White advised him  
8 not to sign over the patents, (2) Plaintiff's Seventh Supplemental Disclosure Statement,  
9 wherein Plaintiff states that some of the documents it might use to support its claims are  
10 "Shawn White emails. Bates # CPS 002677-002679; 002757-002759," and (3) the  
11 deposition of Majed Toqan, wherein he testified about conversations with White.

## 12 **II. Discussion**

13 The attorney-client privilege protects confidential communications between  
14 attorneys and clients regarding the seeking and/or giving of legal advice. *Upjohn Co. v.*  
15 *United States*, 449 U.S. 393, 389 (1981). The voluntary disclosure of privileged  
16 communications to third parties will generally result in a waiver of the privilege. *In re Pac.*  
17 *Pictures Corp.*, 679 F.3d 1121, 1126-27 (9th Cir. 2012). Disclosure of information  
18 resulting in the waiver of the attorney-client privilege constitutes waiver "only as to  
19 communications about the matter actually disclosed." *Chevron Cor. V. Pennzoil Co.*, 974  
20 F.2d 1156, 1162 (9th Cir. 1992) (quoting *Weil v. Inv./Indicators, Rsch. & Mgmt., Inc.*,  
21 647 F.2d 18, 25 (9th Cir. 1981)).

22 Defendants claim that Plaintiff's disclosure of emails, White's communication with  
23 Gregory, and the disclosure in Toqan's deposition of communications with White relate to  
24 the transfer and value of the patents and constitute a complete waiver as to all attorney-  
25 client communications on those issues. (Doc. 215 at 5.) A review of those communications  
26 reveals that there has been a limited waiver of the attorney-client privilege. However, the  
27 waiver is not as expansive as argued by Defendants.

28 First, the discussion White had with Gregory. If that discussion occurred, the

1 privilege has been waived as to its entire content. There is no limitation on discovery about  
2 what was said in that discussion, but the privilege has not been waived as to anything  
3 beyond that.

4 Second, whatever privilege attached to the contents of the emails disclosed in  
5 discovery as evidence Plaintiff might use to support its claim has been waived. Although  
6 the identification of documents as potential evidence is not determinative of the  
7 documents' relevance at trial, when a party points to documents as evidence it might use  
8 at trial, the documents become relevant for discovery purposes. It would not be fair to allow  
9 a party to point to a document as relevant evidence and then deny the other side the  
10 opportunity to conduct discovery into that document.

11 A review, however, shows that Defendants' expansive view of the waiver of the  
12 attorney-client privilege is not supported by the contents of the emails. Defendants' view  
13 that the emails open doors into attorney-client communications about the value of the  
14 patents and "corporate governance" is unsupported.

15 Toqan's email to White dated November 5, 2013, and White's email to Toqan and  
16 Gregory dated November 8, 2013, do not contain any substantive factual statements or  
17 opinions from White about the value of the patents. Although White makes a commonsense  
18 acknowledgment that unless there was some value, Toqan and Gregory would not be  
19 making efforts to take the patents to market, he offers no opinion about what that value  
20 might be. There has been no waiver of the privilege as it pertains to opinions on value other  
21 than the statement that there must be some value. Inquiry into that statement is fair game  
22 for examination. In that same email exchange, Toqan expressed an opinion that the  
23 technology has no value in its then status. The privilege as to that attorney-client  
24 communication has been waived, and Toqan's opinion may be explored. But the email  
25 does not support a claim that White has expressed an opinion about the value of the patents  
26 such that all attorney-client communications about the value of the patents are  
27 discoverable.

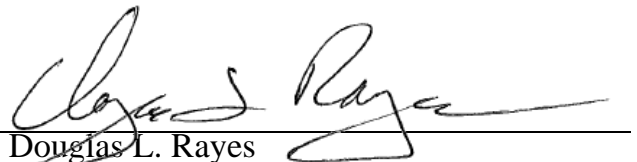
28 As to corporate governance, the emails to and from White and Child dated May 7

1 and 15, 2012, do not open the door to all attorney-client communications regarding all  
2 corporate governance. The waiver resulting from the disclosure of those emails goes only  
3 to the specific contents of the emails; instructions about completing shareholders and  
4 directors minutes each year and the requirement to get directors' approval and written notes  
5 and minutes to support money loaned to a shareholder. That advice is narrow, specific, and  
6 standard. There is no disclosure of any matter beyond that corporate advice that supports a  
7 finding that the privilege has been waived as to all communications regarding corporate  
8 governance. Defendants may explore in discovery the contents of the subject emails but  
9 may not go beyond what is set forth in the emails.

10 Third, the privilege has been waived as to anything that was discussed in Toqan's  
11 deposition about conversations with White. However, after having reviewed the transcript  
12 of Toqan's deposition supplied by Defendants (Doc. 215-1), the Court finds nothing  
13 contained in the deposition that amounts to a waiver of the privilege as to any  
14 communications outside of those described in the deposition. Defendants may explore the  
15 communications discussed in Toqan's deposition but may not go beyond those  
16 communications.

17 **IT IS ORDERED** that Defendants/Counterclaimants' Motion Regarding Waiver of  
18 Attorney-Client Privilege (Doc. 215) is **GRANTED IN PART** as explained herein.

19 Dated this 3rd day of March, 2025.

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24 Douglas L. Rayes  
25 Senior United States District Judge  
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